

MANTONI CORK
CORPORATION

BRENTWOOD, NEW YORK 11717

September 21, 1983

CERTIFIED MAIL
#P229-581-781

Nintendo of America, Inc.
18340 Southcenter Parkway
Seattle, WA 98188

Re: Donkey Kong - License Agreement

Gentlemen:

As you are aware, on January 6, 1983 we received a letter from the law firm of Townley & Updike, Esqs., dated January 3, 1983 (copy attached for your convenience), notifying us that the use of the trademark was an infringement of the rights of their client, Universal City Studios, Inc. in "King Kong". This letter also put us on notice that they intended to press their legal rights against us.

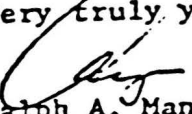
As a consequence of this trademark dispute between you and Universal, whether right or wrong, and their direct threat to charge us with trademark infringement unless we ceased and desisted, they frustrated and materially interfered with our licensing agreement and exposed us to potential serious liability, loss and damage.

Our Board of Directors determined, in view of the foregoing, that the risk of continuing to utilize the disputed trademark in the face of threatened litigation and potential damages would be improvident and unsound.

We paid you the sum of \$5,000.00 to be applied against periodic royalties as the same became payable on the basis that you had sole and exclusive rights to the name free and clear of any claims thereto by any third parties. In view of the dispute between you and Universal, we demand repayment of said sum of \$5,000.00 and suggest that you seek indemnification from Universal as a result of their willful interference with our agreement.

We shall also hold you responsible for any and all loss or damage which we may suffer in the event the threatened litigation ensues as well as for our losses in connection with unsold inventory embodying the disputed trademark.

Very truly yours,


Ralph A. Manton
President

RAM:lb

DEFENDANT